

# Merced County Economic Forecast

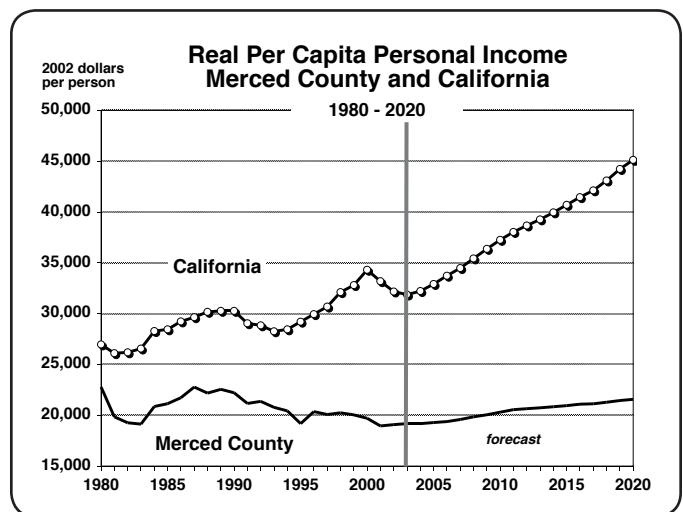
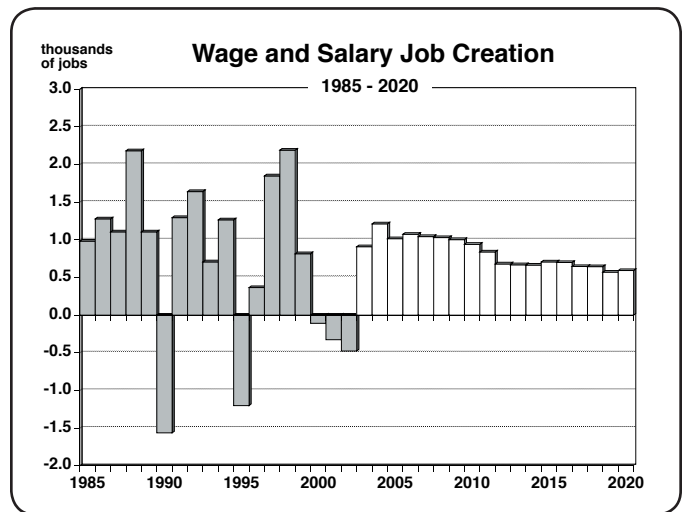
More than half of the land in Merced County is made up of the agriculturally rich alluvial plain produced by the Chowchilla, San Joaquin, and Merced Rivers which flow through it. Agriculture is one of the county's main sources of revenue, and, based on production, Merced is the fifth leading agricultural county in the state.

Milk and milk products from Merced's commercial dairies generate the greatest amount of revenue. Crops grown in commercial quantities include poultry, almonds, tomatoes, and alfalfa.

The county's 2002 annual average unemployment rate was 14.4 percent, compared to a rate of 6.7 percent for the state. Typically, in counties such as Merced where agriculture and tourism are factors in the economy, there is usually a substantial amount of seasonal employment, and as a result, higher unemployment rates in the off-season.

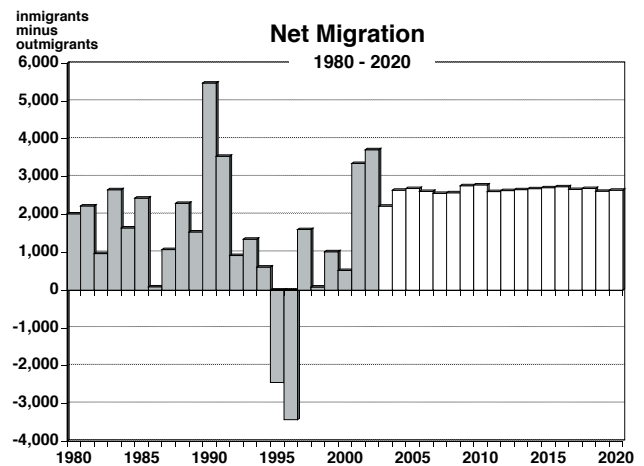
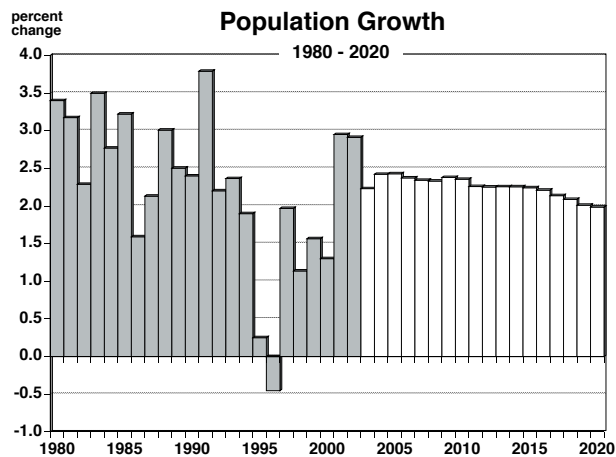
In recent years, Merced County has sought to diversify its agriculturally based economy, balancing it out by expanding tourist trade and the manufacture of light industry, geared to agricultural related products. In 2002, government, agriculture, manufacturing, and retail trade were the dominant industries and contributed similar shares of the county's total wage and salary employment base. Government accounted for 21 percent of all employment, with a majority of the jobs (13,500) in local government, and agriculture contributed 17.3 percent of the total.

Significant growth is forecast for Merced County, because housing is affordable and can be built in large numbers. For the next 5 years, population growth will accelerate, due to new immigration from the creation of more jobs in services, government, and manufacturing.



## Forecast Highlights

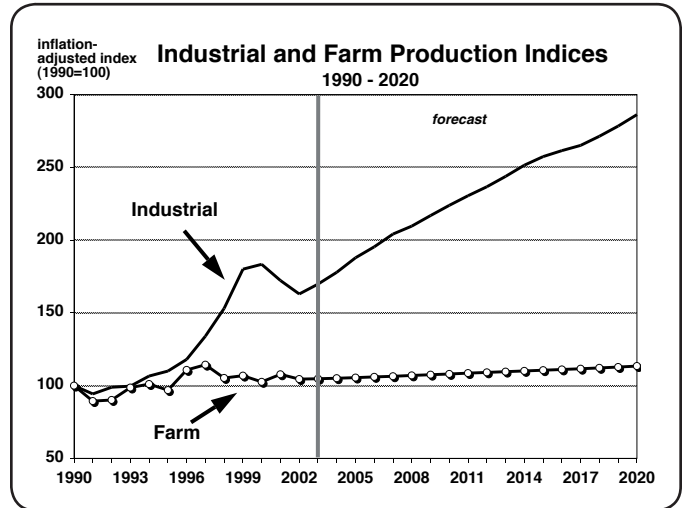
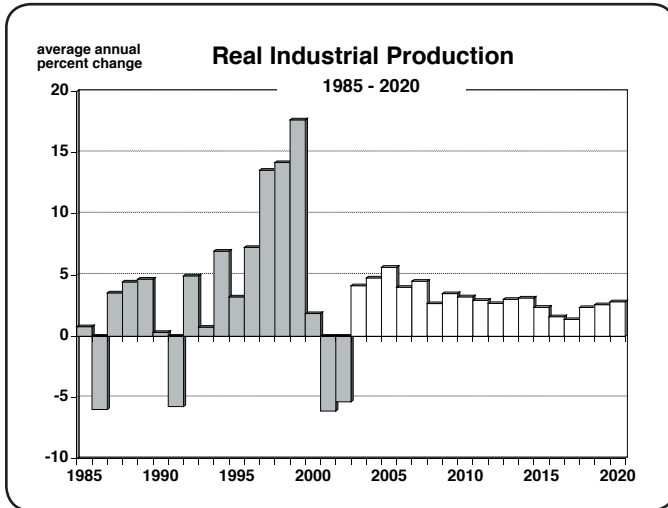
- Non-farm employment will grow 2.0 percent per year between 2003 and 2008. Farm employment is forecast to rise a scant 0.1 percent per year over the same time period.
- Real per-capita income rises an average 0.7 percent per year over the next 5 years. Total personal income adjusted for inflation is forecast to increase an average of 2.7 percent per year.
- Between 2003 and 2008, an annual average of 1,600 new residential units are authorized through the permitting process.
- Population growth accelerates to 2.4 percent per year between 2003 and 2008. The average annual rate of population growth between 1997 and 2002 was 2.0 percent. The forecast calls for an increase in the natural increase, due to rapidly growing population in the 20 to 29 year old age cohort. However, net migration is also forecast to average 2,550 persons per year.
- The median home selling price reached \$149,000 in 2002. It is forecast to rise an average of 4 percent per year between 2003 and 2008. Between 1997 and 2002, the inflation-adjusted median home selling price showed an average annual increase of 5.0 percent.



## Merced County Economic Forecast

### 1995-2002 History, 2003-2020 Forecast

	July Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	199,000	-2,443	149.2	61.3	867	\$0.8	\$3.0	\$19,175	\$1,222	\$1.4
1996	198,100	-3,428	149.3	61.5	871	\$0.9	\$3.2	\$20,366	\$1,430	\$1.6
1997	202,000	1,603	141.5	62.3	1,010	\$0.9	\$3.4	\$20,071	\$1,527	\$1.8
1998	204,300	84	150.4	63.1	1,032	\$1.0	\$3.5	\$20,237	\$1,450	\$2.0
1999	207,500	1,017	156.0	63.9	1,003	\$1.1	\$3.7	\$20,040	\$1,534	\$2.4
2000	210,200	521	161.9	63.5	1,553	\$1.2	\$3.9	\$19,706	\$1,539	\$2.4
2001	216,400	3,351	171.0	64.8	1,131	\$1.3	\$4.0	\$18,943	\$1,703	\$2.3
2002	222,700	3,716	176.7	66.0	1,723	\$1.3	\$4.3	\$19,080	\$1,679	\$2.1
2003	227,668	2,223	182.6	66.9	1,558	\$1.4	\$4.5	\$19,182	\$1,725	\$2.2
2004	233,180	2,645	188.0	67.8	1,570	\$1.5	\$4.7	\$19,179	\$1,779	\$2.3
2005	238,843	2,689	191.9	68.7	1,615	\$1.6	\$4.9	\$19,284	\$1,835	\$2.5
2006	244,512	2,612	195.3	69.6	1,596	\$1.7	\$5.2	\$19,377	\$1,894	\$2.6
2007	250,239	2,561	199.1	70.4	1,604	\$1.8	\$5.5	\$19,579	\$1,952	\$2.7
2008	256,075	2,577	200.9	71.1	1,588	\$1.9	\$5.8	\$19,842	\$2,014	\$2.8
2009	262,167	2,763	204.3	71.8	1,573	\$2.0	\$6.2	\$20,046	\$2,076	\$2.9
2010	268,342	2,784	208.0	72.3	1,560	\$2.1	\$6.5	\$20,299	\$2,145	\$2.9
2011	274,404	2,608	211.3	73.1	1,562	\$2.2	\$6.9	\$20,547	\$2,217	\$3.0
2012	280,586	2,635	214.1	74.4	1,596	\$2.3	\$7.3	\$20,653	\$2,291	\$3.1
2013	286,919	2,659	217.1	75.7	1,588	\$2.5	\$7.7	\$20,734	\$2,369	\$3.2
2014	293,390	2,684	220.3	77.3	1,647	\$2.6	\$8.1	\$20,838	\$2,446	\$3.3
2015	299,970	2,710	223.9	78.9	1,662	\$2.7	\$8.6	\$20,953	\$2,524	\$3.4
2016	306,602	2,736	227.9	80.8	1,659	\$2.8	\$9.0	\$21,092	\$2,607	\$3.4
2017	313,157	2,664	231.9	82.5	1,645	\$2.9	\$9.5	\$21,128	\$2,696	\$3.5
2018	319,696	2,690	235.7	83.7	1,627	\$3.0	\$10.0	\$21,284	\$2,787	\$3.6
2019	326,121	2,617	239.2	85.6	1,623	\$3.1	\$10.6	\$21,455	\$2,879	\$3.7
2020	332,600	2,645	242.3	87.2	1,632	\$3.3	\$11.1	\$21,568	\$2,971	\$3.8



Total Wage & Salary (000)	Farm (000)	Mining & Construction (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----								
58.3	11.0	1.5	10.2	1.9	11.6	2.0	8.0	12.1
58.7	11.0	1.5	10.4	1.9	11.6	2.1	8.2	11.9
60.5	11.1	1.5	11.4	2.2	11.6	2.0	8.9	11.6
62.7	11.1	1.8	12.2	2.8	12.1	2.0	9.1	11.7
63.5	11.5	2.0	11.6	2.8	12.1	2.0	9.5	11.9
63.4	11.6	2.1	10.9	2.4	12.4	1.8	9.9	12.2
63.1	10.8	2.3	10.4	1.7	12.6	1.6	10.5	13.1
62.6	10.9	2.4	8.6	1.7	12.9	1.6	11.1	13.5
63.5	10.9	2.5	8.7	1.7	13.0	1.6	11.5	13.6
64.7	10.9	2.6	9.1	1.7	13.2	1.6	12.0	13.7
65.7	10.9	2.7	9.3	1.8	13.3	1.6	12.5	13.7
66.8	10.9	2.7	9.4	1.8	13.5	1.6	13.0	13.8
67.9	10.9	2.8	9.6	1.9	13.6	1.6	13.5	14.0
68.9	11.0	2.8	9.7	1.9	13.8	1.6	14.0	14.1
69.9	11.0	2.9	9.7	1.9	14.0	1.6	14.5	14.3
70.8	11.0	2.9	9.8	2.0	14.2	1.7	14.9	14.4
71.7	11.1	2.9	9.8	2.0	14.4	1.7	15.2	14.6
72.4	11.1	2.9	9.9	2.1	14.6	1.7	15.4	14.7
73.0	11.1	3.0	9.9	2.1	14.8	1.7	15.6	14.9
73.7	11.2	3.0	10.0	2.1	14.9	1.7	15.8	15.1
74.4	11.2	3.0	10.0	2.2	15.1	1.7	16.0	15.2
75.1	11.3	3.0	10.1	2.2	15.2	1.7	16.2	15.4
75.7	11.4	3.0	10.1	2.2	15.3	1.7	16.4	15.6
76.4	11.4	3.0	10.2	2.3	15.4	1.7	16.5	15.8
77.0	11.5	3.1	10.2	2.3	15.5	1.7	16.7	16.0
77.6	11.6	3.1	10.3	2.4	15.6	1.8	16.8	16.1

